

## A RESOLUTION

### State Health Benefit Plan Employer Contribution Rates for Fiscal Year 2012; Authorization of Commissioner to Take Actions Necessary to Address Projected Deficit

WHEREAS, the State Health Benefit Plan is comprised of three health insurance plans, each supported by its own fund: 1) a plan for State employees (O.C.G.A. § 45-18-2), 2) a plan for teachers (O.C.G.A. § 20-2-891), and 3) a plan for non-certificated public school employees (O.C.G.A. § 20-2-911); and

WHEREAS, pursuant to O.C.G.A. §§ 20-2-891(c), 20-2-918(b) and 45-18-12(b) the Commissioner of the Department of Community Health is permitted to combine the three funds supporting the three plans (together, the "State Health Benefit Plan" or "SHBP") in order to pay benefits due under any of the plans; and

WHEREAS, the Appropriations Act for Fiscal Year 2012 establishes an increase in the amount of employer contributions of \$147,430,489.00 over the Fiscal Year 2011 employer contributions; and

WHEREAS, the Appropriations Act for Fiscal Year 2012 eliminates the State Department of Education contribution to the plan for non-certificated public school employees; and

WHEREAS, O.C.G.A. § 45-18-14 provides for the Board of Community Health (the "Board") and the Governor to establish the rate that each department, board and agency of the executive and judicial branches of state government shall contribute to the health insurance fund for State employees as their portion of the cost of benefits payable under that plan (the "State Employees Plan Employer Contribution Rate"); and

WHEREAS, O.C.G.A. § 20-2-892 provides for the Board and the Governor to establish the rate that each local school system, library, and Regional Educational Service Agency ("RESA") shall contribute to the health insurance fund for teachers as their portion of the cost of benefits payable under that plan (the "Teachers Plan Employer Contribution Rate"); and

WHEREAS, based on current projections, a State Employee Plan Employer Contribution Rate of 27.363% of total salaries and a Teachers Plan Employer Contribution Rate of 18.534% of state-based salaries for local school systems and RESAs and 18.534% of total salaries for libraries for Fiscal Year 2012 will generate employer contributions no greater than the maximum established by the Appropriations Act; and

WHEREAS, a deficit is projected for Fiscal Year 2012 because, on a combined basis, these projected employer contributions and projected contributions from members and other sources will not be sufficient to pay benefits expected to be payable under the State Health Benefit Plan through June 30, 2012;

NOW, THEREFORE, LET IT BE ORDERED THAT the State Employee Plan Employer Contribution Rate shall be 27.363% of total salaries for Fiscal Year 2012; and

NOW, THEREFORE, LET IT BE ORDERED THAT the Teachers' Plan Employer Contribution Rate shall be 18.534% of state-based salaries for local school systems and RESAs and 18.534% of total salaries for libraries for Fiscal Year 2012; and

NOW, THEREFORE, LET IT BE ORDERED THAT the Department of Education will not make a contribution to the plan for non-certificated public school employees in Fiscal Year 2012; and

NOW, THEREFORE, LET IT BE ORDERED THAT the per member per month rate of contribution from local school boards to the plan for non-certificated public school employees shall be continued at the rate of \$246.20 until changed by future resolution; and

NOW, THEREFORE, LET IT BE ORDERED THAT the Commissioner shall take all actions he deems necessary and appropriate to address the projected deficit.

Resolved this 12th day of May, 2011, in public session.

A handwritten signature in dark ink, appearing to read "Ross Mason", written over a horizontal line.

Ross Mason  
Chairman

A handwritten signature in dark ink, appearing to read "Archer Rose", written over a horizontal line.

Archer Rose  
Secretary